

DUMONT NICKEL
CORPORATION

(NO PERSONAL LIABILITY)

SEVENTEENTH
ANNUAL
REPORT

FOR THE YEAR ENDED
MARCH 31st, 1972

DUMONT NICKEL CORPORATION

(NO PERSONAL LIABILITY)

HEAD OFFICE: 1265, 7th St., VAL D'OR, QUEBEC

Incorporated under the Quebec Mining Companies Act

By Letters Patent - 22nd Sept. 1954

Capitalization	10,000,000 shares
Issued and Fully Paid	7,765,703 shares

OFFICERS and DIRECTORS

President and Director	J.H. Kentish	Business Executive, Malartic, Quebec.
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Vice-President and Director	G.H. Dumont	Consulting Engineer, Val d'Or, Quebec.
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Director	J.W. Kentish,	Lawyer, Toronto, Ontario.
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Director	G.R. Landry	Business Executive, Val d'Or, Quebec.
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Secretary-Treasurer and Director	E.E. Hoyles,	Secretary, Val d'Or, Quebec.
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AUDITORS

BELANGER, L'HOUMEAUX, SUREAU & ASSOCIATES

Chartered Accountants

Val d'Or, Quebec

REGISTRAR and TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY, MONTREAL

PRESIDENT'S REPORT

July 17th, 1972

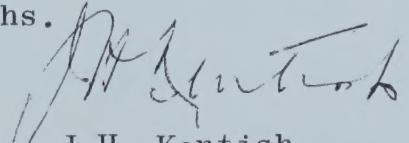
To the Shareholders of
Dumont Nickel Corporation

Enclosed is notice of our Annual Meeting called for July 31st, 1972 - time and place are specified on proxy notices -together with the Company's Financial Statements for the fiscal year ended March 31st, 1972.

As I have recently reported in our July 12th progress report to you, we are continuing to work vigorously on the development of our vast nickel ore deposits in Launay and Tressessan townships. You will note from the enclosed financial statements that our direct costs in exploration of the property had totalled \$632,975.30 by the end of our fiscal year.

Each successive stage of our drilling and testing program has established viable results, which naturally has encouraged us to maintain our momentum toward the goal of initial production. In this regard with several alternatives open to us, our negotiations for current and major financing of our planned programme are progressing satisfactorily.

I plan to keep you posted on the quickening pace of developments in the coming months.



J.H. Kentish
President.

Bélanger, L'Houmeau, Sureau & Associés
COMPTABLES AGRÉÉS — CHARTERED ACCOUNTANTS

TEL. (819) 824-9635

838, 3e AVENUE

VAL D'OR, QUE.

JEAN-M. L'HOUMEAU, C.A. REAL SUREAU, C.A.
YVON LAFONTAINE, C.A. JACQUES BORDELEAU, L.S.C., C.A.
CLAUDE THEBERGE, L.S.C., C.A.

AUDITORS' REPORT

To the shareholders of

Dumont Nickel Corporation
(No Personal Liability)

We have examined the Balance Sheet of Dumont Nickel Corporation as at March 31, 1972 and the Statement of Deficit, Statement of Exploration and Development Expenses, Statement of General and Administrative Expenses and Statement of Source and Application of Funds for the period from March 31, 1971 to March 31, 1972. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the company as at March 31, 1972 and the results of its operations and source and application of its funds for the period ended at that date, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding period.

Bélanger, L'Houmeau, Sureau & Associés
CHARTERED ACCOUNTANTS.

Val d'Or, Qué.
July 10, 1972.

DUMONT NICKEL CORPORATION

(No Personal Liability)

BALANCE SHEET

as at March 31, 1972

ASSETS

	March 31, 1971	March 31, 1972
CURRENT ASSETS		
Bank	\$ 137,070.86	\$ 4,576.05
Bank term deposits	<u>190,000.00</u>	<u>25,000.00</u>
	<u>327,070.86</u>	<u>29,576.05</u>
INVESTMENT IN A SUBSIDIARY COMPANY, at cost		
1,995,000 shares of Abitibi Copper Mines Ltd of which 445,500 shares are pooled, (No market value) - (Note 1)	150,000.00	150,000.00
Advances to Abitibi Copper Mines Ltd (Note 2)	<u>66,850.56</u>	<u>66,850.56</u>
	<u>216,850.56</u>	<u>216,850.56</u>
OTHER INVESTMENTS, at cost		
Shares of Quebec Moly Mining Corporation (N. P. L.) (31.3%) : 600,000 shares (no market value)	90,000.00	90,000.00
Advances to Quebec Moly Mining Corporation	<u>7,495.56</u>	<u>8,650.56</u>
250 units of Preissac Syndicate (no market value)	5,125.00	5,125.00
Dominion of Canada Bonds, under deposit with a government body	759.60	759.60
Advances to Trans-Canada Copper Mines Ltd	<u>8,912.30</u>	<u>10,543.80</u>
Advances to Denain Syndicate	6,293.50	6,293.50
Interest in Denain Syndicate (note 5)	<u>2,000.00</u>	<u>2,000.00</u>
	<u>120,585.96</u>	<u>123,372.46</u>
MINING CLAIMS, at cost		
Claims (note 3)	41,875.00	43,875.00
Claims under option (note 4)	<u>3,100.00</u>	<u>4,100.00</u>
	<u>44,975.00</u>	<u>47,975.00</u>
FIXED ASSETS, at cost (note 7)		
Office furniture and equipment	2,702.38	2,702.38
Prospecting and camp equipment	2,529.41	2,711.41
Automobile and truck	<u>5,868.34</u>	<u>5,868.34</u>
	<u>11,100.13</u>	<u>11,282.13</u>
Accumulated depreciation	3,688.04	5,411.97
	<u>7,412.09</u>	<u>5,870.16</u>
DEFERRED CHARGES, at cost		
Exploration and development expenses statement 3	470,650.48	872,635.42
General and administrative expenses statement 4	<u>132,147.23</u>	<u>191,122.12</u>
	<u>602,797.71</u>	<u>1,063,757.54</u>
ORGANIZATION EXPENSES, at cost	<u>3,995.00</u>	<u>3,995.00</u>
	<u>\$1,323,687.18</u>	<u>\$1,491,396.77</u>

APPROVED ON BEHALF OF THE BOARD

G. P. Dumont _____
Director
Elizabeth E. Hoyles _____
Director

LIABILITIES

CURRENT LIABILITIES	March 31,	March 31,
	1971	1972
Accounts payable	\$ 32,754.45	\$ 1,840.21
Tax deductions	609.42	957.18
	<u>33,363.87</u>	<u>2,797.39</u>

SHAREHOLDERS' EQUITY

CAPITAL-STOCK

Authorized:

10,000,000 shares of a par value
of \$1.00 each 10,000,000.00

Issued and fully paid:

7,765,703 shares of a par value of \$1.00 each (note 6)	7,365,703.00	7,765,703.00
Less: discount thereon	<u>5,536,491.25</u>	<u>5,736,491.25</u>
	<u>1,829,211.75</u>	<u>2,029,211.75</u>

DEFICIT, as per statement 2 (544,888.44) (546,612.37)

CONTRIBUTED SURPLUS

<u>6,000.00</u>	<u>6,000.00</u>
<u>1,290,323.31</u>	<u>1,488,599.38</u>

\$1,323,687.18 \$1,491,396.77

(No Personal Liability)

STATEMENT OF DEFICIT

as at March 31, 1972

Cost of Mining claims	\$127,287.62
Exploration and development expenses	291,245.90
General and administrative expenses	215,741.85
Advance to Anglo American Nickel Corporation Ltd written-off	3,096.25
Cost of the shares of Cadillac Moly Mines Ltd. (N. P. L.) written-off	64,504.00
Depreciation on fixed assets	<u>3,688.04</u> 705,563.66
Less:	
Option offered forfeited	2,500.00
Net profit on sale of investments	<u>158,175.22</u> 160,675.22
DEFICIT as at March 31, 1971	544,888.44
Add:	
Depreciation on fixed assets	<u>1,723.93</u>
DEFICIT as at March 31, 1972	<u>\$546,612.37</u>

(No Personal Liability)

EXPLORATION AND DEVELOPMENT EXPENSES

as at March 31, 1972

	Balance as at March 31, 1971	Additions	Balance as at March 31, 1972
LOUVICOURT			
Diamond drilling	\$ 83,928.89		\$ 83,928.89
Trenching and line cutting	826.00		826.00
Engineering fees	12,936.43		12,936.43
Exploration	825.00		825.00
Magnetometer survey	2,288.75		2,288.75
Geochemical survey	238.00		238.00
Licences	2,210.00	\$ 360.00	2,570.00
Core shack	540.00		540.00
Assaying	5,588.75		5,588.75
Supplies	295.05		295.05
Transportation	709.14		709.14
	<u>110,386.01</u>	<u>360.00</u>	<u>110,746.01</u>
BOURLAMAQUE			
Diamond drilling	90,719.92		90,719.92
Trenching and line cutting	920.00		920.00
Engineering fees	13,383.04		13,383.04
Licences	105.65	40.00	145.65
Assaying	8,104.00		8,104.00
Exploration	1,641.22		1,641.22
Supplies	273.76		273.76
Core boxes	1,305.36		1,305.36
	<u>116,452.95</u>	<u>40.00</u>	<u>116,492.95</u>
LOUVICOURT			
Diamond drilling		6,091.65	6,091.65
Line cutting	1,329.50		1,329.50
Engineering fees	2,958.42		2,958.42
Licences	513.50		513.50
Exploration	1,244.25		1,244.25
Supplies	63.84		63.84
Equipment rental	220.00		220.00
	<u>6,329.51</u>	<u>6,091.65</u>	<u>12,421.16</u>
LAUNAY-TRECESSION			
Diamond drilling	187,838.75	263,289.47	451,128.22
Trenching and line cutting	3,512.12	1,420.00	4,932.12
Metallurgy		8,182.56	8,182.56
Engineering fees and consultants fees	16,796.33	70,232.48	87,028.81
Licences	931.51	2,374.88	3,306.39
Assaying	20,400.70	27,613.50	48,014.20
Magnetometer survey	2,505.97	11,165.00	13,670.97
Supplies and plans drafting	1,510.81	3,418.62	4,929.43
Core boxes	840.39	1,625.76	2,466.15
Truck expenses and transport	360.00	3,409.60	3,769.60
Equipment rental	2,785.43	2,761.42	5,546.85
	<u>237,482.01</u>	<u>395,493.29</u>	<u>632,975.30</u>
	<u>\$470,650.48</u>	<u>\$401,984.94</u>	
BALANCE as at March 31, 1972			\$872,635.42

DUMONT NICKEL CORPORATION

(No Personal Liability)

GENERAL AND ADMINISTRATIVE EXPENSES

as at March 31, 1972

	Balance as at March 31, 1971	Additions	Balance as at March 31, 1972
Trustees' fees and expenses	\$ 10,144.69	\$ 6,236.66	\$ 16,381.35
Legal and audit fees	53,434.24	17,114.75	70,548.99
Office rent and secretarial services	13,470.10	7,800.00	21,270.10
Toronto office expenses	362.20		362.20
Travelling	12,097.57	7,037.91	19,135.48
Telephone	3,627.80	1,792.39	5,420.19
Postage, stationery and printing	7,357.45	998.61	8,356.06
Shareholders' information	11,234.41	4,504.32	15,738.73
Management salary and directors' fees	30,550.00	14,500.00	45,050.00
Taxes and fees	1,608.74	756.03	2,364.77
Interest and bank charges	177.17	883.17	1,060.34
Fringe benefits	1,132.23	880.00	2,012.23
Insurance	1,067.51	690.00	1,757.51
	<u>146,264.11</u>	<u>63,193.84</u>	<u>209,457.95</u>
LESS:			
Interest earned	3,787.21	4,218.95	8,006.16
General and administrative expenses charged to Abitibi Copper Mines Limited	<u>10,329.67</u>		<u>10,329.67</u>
	<u>14,116.88</u>	<u>4,218.95</u>	<u>18,335.83</u>
	<u>\$132,147.23</u>	<u>\$ 58,974.89</u>	
BALANCE as at March 31, 1972			<u>\$191,122.12</u>

DUMONT NICKEL CORPORATION

(No Personal Liability)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the period from March 31, 1971 to March 31, 1972

SOURCE

Issuance of 400, 000 shares of the capital-stock	\$200, 000.00
Interest earned on term deposits	<u>4, 218.95</u>
	204, 218.95

APPLICATION

Advances:

Quebec Moly Mining Corporation (N. P. L.)	1, 155.00
Trans-Canada Copper Mines Ltd (N. P. L.)	1, 631.50

Additions to fixed assets:

Office equipment	182.00
Claims under option	1, 000.00
Claims	2, 000.00
Exploration and development expenses	401, 984.94
General and administrative expenses	<u>63, 193.84</u>
	<u>471, 147.28</u>

DECREASE IN WORKING CAPITAL

(266, 928.33)

WORKING CAPITAL as at March 31, 1971

293, 706.99

WORKING CAPITAL as at March 31, 1972

\$ 26, 778.66

REPRESENTED BY

Current assets	29, 576.05
Current liabilities	<u>2, 797.39</u>
	<u>\$ 26, 778.66</u>

DUMONT NICKEL CORPORATION

(No Personal Liability)

NOTES

as at March 31, 1972

- 1- The company incurred \$80,000.00 in exploration and development expenses on mining properties optioned from Abitibi Metals Mines Limited. Abitibi Copper Mines Limited (51.1% of the issued shares of which are owned by the Company) was incorporated and the company transferred the said mining properties to Abitibi Copper Mines Limited, and received as its share 495,000 shares and \$80,000.00. The company subscribed for and was allotted 800,000 treasury shares of Abitibi Copper Mines Limited at 10¢ per share, in reduction of our advance to Abitibi Copper Mines Limited. 600,000 of these shares were sold to McLeod-Bay Investments Limited at .15¢ a share, according to the last prospectus of Abitibi Copper Mines Limited. Also, 1,300,000 shares were received in reduction of our advance.
2. These advances will be reimbursed by shares of Abitibi Copper Mines Limited at 10¢ per share.
- 3- The company acquired 4 mining claims in Bourlamaque Township, Quebec, at the cost of \$5,000.00 cash. The company acquired 6 mining claims in Louvicourt Township, Quebec, at the staking cost of \$350.00. The company acquired 29 claims in Launay-Trecesson Township, Quebec, at the staking cost of \$2,025.00. The company acquired 41 mining claims in Louvicourt held under 16 development licences and 3 mining concessions at the cost of \$25,000.00. The company acquired 30 claims in Launay Township at the cost of \$9,500.00 cash. The company acquired 5 claims in Launay-Trecesson Township, Quebec, at the cost of \$2,000.00 cash.
- 4- For the consideration of \$1,000.00 and 45% of the vendor's stock allotted to the company, the company has acquired under a working option, five mining claims situated in Louvicourt Township, province of Quebec. This option was extended to March 24, 1970, without consideration. The option was exercised, a new company was formed. The transfer of the said claims to the new company is not completed.

For the consideration of \$1,000.00 cash, the company has acquired a working option on seven (7) mining claims in Trecesson Township, Province of Quebec. The option has to be exercised on or before December 31, 1971 by a payment of \$20,000.00 cash and a royalty in the sum of .50¢ per short ton of any ore mined from these claims. This option was extended.

For the consideration of \$500.00 cash, the company has acquired an option to purchase 30 claims in Launay Trecesson Township, Province of Quebec for the price of \$70,000.00 payable: \$1,000.00 in July 1971, \$3,000.00 in July 1972, \$6,000.00 in July 1973, \$60,000.00 in July 1974. Also the transfer of 100,000 free, fully paid shares of the capital stock of Dumont Nickel Corporation or the mining claims transferred to a company to be formed and receive 100,000 fully paid and free shares of the new company. The staking was completed at a cost of \$600.00. The \$1,000.00 due in July 1971 was paid.

- 5- For the consideration of \$2,000.00 the company acquired an interest in a syndicate having an option on 25 claims in the Township of Denain, North-Western Quebec. The option had to be exercised on or before September 1969, but was extended for a period.

6- Shares issued for cash:

3 shares at \$1.00	\$ 3.00
200,000 shares at \$0.95	190,000.00
200,000 shares at \$0.85	170,000.00
480,700 shares at prices ranging from \$0.40 to \$0.80	241,708.75
200,000 shares at \$0.55	110,000.00
200,000 shares at \$0.45	90,000.00
200,000 shares at \$0.35	70,000.00
650,000 shares at \$0.30	195,000.00
1,100,000 shares at \$0.25	275,000.00
1,500,000 shares at \$0.20	300,000.00
660,000 shares at \$0.15	99,000.00
300,000 shares at \$0.12	36,000.00
<u>775,000 shares at \$0.10</u>	<u>77,500.00</u>

6,465.703	1,854,211.75
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shares issued for diamond drilling services:

300,000 shares at \$0.25	75,000.00
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shares issued for mining claims:

<u>1,000,000 shares at \$0.10</u>	<u>100,000.00</u>
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<u>7,765,703</u>	<u>\$2,029,211.75</u>
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661,719 shares are under escrow.

By an underwriting and option agreement dated the 1st of September 1971, Bouchard & Co. Ltd., stockbrokers, 1015 Beaver Hall Hill, Montreal, Quebec, acting on behalf of a client, Deutaral A.G. undertook to purchase firm 400,000 shares of the company's capital stock, 200,000 at the price of \$0.45 a share and 200,000 at the price of \$0.55 a share, for a total consideration of \$200,000. As to date, the amount of 200,000.00 was received.

In consideration of the above firm purchase of shares, the company has granted Bouchard & Co. Ltd., acting as above, the following options:

<u>No. of shares</u>	<u>Price per share</u>	<u>Period in which exercisable</u>
200,000	\$0.65	6 months
200,000	\$0.75	9 months
200,000	\$0.85	12 months

By an agreement dated November 17, 1970, approved by a special meeting of shareholders and accepted by the Canadian Stock Exchange, the company grants to four directors an option to purchase 335,000 shares of the company at a price of \$0.95 per share. The directors have the right to exercise the option in full or in part between November 17, 1972 and November 17, 1975.

7- Depreciation was taken to March 31, 1972.

